



San Bernardino Associated Governments

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- San Bernardino County Transportation Commission •San Bernardino County Transportation Authority
 - San Bernardino County Congestion Management Agency •Service Authority for Freeway Emergencies
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April 28, 2014

Ms. Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments on the AB 32 Scoping Plan Update

Dear Ms. Nichols,

The San Bernardino Associated Governments (SANBAG) appreciates the opportunity to comment on the California Air Resources Board “*Draft Proposed First Update of the Climate Change Scoping Plan: Building on the Framework*” (Scoping Plan Update). The Scoping Plan Update has a strong focus on the creation of incentives to achieve program targets along with the flexibility to implement programs in various regions and sectors which best meet the targets and needs of individual communities and regions.

SANBAG is the council of governments and county transportation commission for San Bernardino County and provides substantial funding for transit infrastructure and operations, transportation demand management, and active transportation, all of which are critical to reaching the State’s sustainability goals. We have a strong interest in supporting the goals of AB 32 (Chapter 488, Statutes of 2006) and SB 375 (Chapter 728, Statutes of 2008) in a technologically feasible and cost-effective manner, as stated in the State legislation and reaffirmed as part of the Scoping Plan Update.

Background on SANBAG Sustainability Initiatives

We would first like to provide some background on SANBAG’s role as a sustainability leader in Southern California. This background is important as a context for our comments on the Scoping Plan Update, as we have a vested interest in how AB 32 and SB 375 goals are achieved. Samples of the specific activities in which we and our partner agencies have been engaged include:

- Executing a Sustainability Memorandum of Understanding (MOU) with the Southern California Association of Governments (SCAG). The MOU identifies 16 specific sustainability initiatives in which SANBAG is engaged, with respect to both planning and implementation. SANBAG is an active participant in regional sustainability discussions through the SCAG CEOs Sustainability Working Group, development of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and related SCAG committees.
- Adopting the first regional Greenhouse Gas (GHG) Reduction Plan with a certified Environmental Impact Report (EIR) in the State. The San Bernardino County Regional GHG Reduction Plan and associated EIR is a comprehensive, cutting-edge response to AB 32 that

involves 21 cities in the County that have collaboratively identified GHG reduction targets and measures to achieve these reductions. The two documents were approved by the SANBAG Board of Directors in March 2014.

- Establishing a Countywide Vision – The County of San Bernardino, SANBAG, and our cities adopted the countywide vision statement in June 2011 and are proceeding down the path to implementation on nine specific elements. Chief among these include Housing, Environment, Water, and Wellness. These, and other elements, have a strong theme of sustainability. This initiative was recognized with a SCAG sustainability award on May 1, 2014.
- Implementing an aggressive transit program – Sustainability in the transportation sector, including a robust transit program, is essential to the success of many AB 32-related goals. Transit initiatives being undertaken by SANBAG and our transit agency partners include:
 - Operating the highest volume commuter rail line in Southern California (the Metrolink San Bernardino line)
 - Extending Metrolink service to downtown San Bernardino and connecting that service with 13 local fixed-route lines, the first Bus Rapid Transit (BRT) line, as well as other regional transit services at a new San Bernardino Transit Center
 - Opening San Bernardino County’s first operational BRT line in Southern California east of Los Angeles (the 16-mile E Street sbX project which opened in April 2014)
 - Expanding transit service further into the County through the construction of the Redlands Passenger Rail Project from San Bernardino to Redlands
 - Engaging in proactive land use planning and policy-setting for existing Metrolink and planned Redlands Passenger Rail Project stations
 - Investing over \$1 billion in transit capital and operations over the next ten years in San Bernardino County
- Initiating substantial investments in Active Transportation planning and implementation through grants and investment of our own matching funds (Measure I sales tax as well as local funds from individual jurisdictions).
- Working with the freight industry on clean truck programs at the local level. Through this effort, SANBAG has obtained federal and state grants to recently retrofit over 200 Ryder trucks with natural gas engines and to support the construction of two compressed natural gas/liquefied natural gas fueling stations.
- Implementing a property-assessed clean energy financing (PACE) program in San Bernardino County called the Home Energy Retrofit Opportunity (HERO) program. Over 5,000 applications have been approved to date, totaling over \$203 million in improvements. These improvements amount to GHG reductions totaling over 70 tons over the life of the installed products, the equivalent of removing 617 cars off the road.

Comments on the Draft Scoping Plan Update

Our comments on the Scoping Plan Update focus principally on the support needed from the State to continue, build upon, and expand some of the initiatives already underway by SANBAG and our partner agencies. As an agency that funds planning, capital projects, and transit operations, SANBAG is acutely aware of the investments that will be needed to build, maintain, and operate the infrastructure and services required to support a sustainable future for our county, the region, and the State. We take this task very seriously and must communicate some of the realities we face if we do not receive the support needed from the State.

We were pleased to see an acknowledgement that funding issues are directly related to the success of the implementation of the Scoping Plan and that the distribution of Cap and Trade funds from the expansion of the program to fuels in 2015 should be targeted towards transportation projects. Reaching the targets being discussed in the Scoping Plan Update will require very large, ongoing investments on behalf of the State, local governments, and transportation commissions. However, other than a discussion of future Cap and Trade program funds, there is little in the way of new resources identified in the plan. Investments along the lines of those described in the Scoping Plan Update like the possible electrification of the transportation sector by 2050 and a substantial increase in the number of zero-emission vehicles will require a massive capital investment.

The funding programs discussed in the plan are largely existing programs which are already oversubscribed. SANBAG would like to see the State come to the table with additional resources that match the desired Scoping Plan outcomes, including funding distribution mechanisms which reflect the acknowledgement of the regional nature of transportation and land use projects and programs.

Lastly, as an introductory comment, SANBAG is pleased to see significant developments in technologies available in passenger vehicles which allow for increased fuel efficiency and reduced emissions. An often underappreciated outcome of this great advancement in vehicle technologies is the acknowledgment that increased fuel efficiency continues to exacerbate the declining resources available to fund multi-modal transportation projects.

We also offer additional comments for your consideration below:

1. **Funding of transit capital and operations** – SANBAG’s 10-year Delivery Plan identified the stark realities facing expansion and continuing operation of the transit system identified in our Long Range Transit Plan. Even with the extensive transit investments already outlined in our letter, we cannot move forward with Metrolink double-tracking, an extension of the Gold Line light rail system to Montclair or Ontario, or developing additional lines of our 100+ mile BRT vision, without additional transit funding. Consistent, reliable sources of operating funds are particularly critical. We understand that the California Transportation Commission is considering moving away from formula-based funding for some of its transit funding sources currently based on population. Any actions that make sources of transit funding less predictable will impede transit capital planning and operations. The scale of GHG reductions being discussed in the Scoping Plan highlight the need for dramatic capacity improvements in transit, and we were pleased to see an acknowledgment of the need for long-term and predictable funding and regulatory systems to achieve the Scoping Plan goals.
2. **Balancing transit needs** - While we understand the State’s assertion that the High Speed Rail project will carry GHG benefits, SANBAG is concerned that other, near-term investments in transit that can help advance the State’s GHG emission reduction efforts could be undermined by larger investments in a single project. We hope that a balanced approach can allow both statewide and local transit projects to move forward, with an emphasis on near-term benefits.
3. **Funding for redevelopment and infill** – In addition to the investments in transit mentioned above, incentives need to be developed to encourage land owners and real estate developers to invest in Transit Oriented Development (TOD), particularly in the inland counties. The dissolution of redevelopment agencies dealt a serious setback to land use plans and transportation infrastructure in San Bernardino County. Our region has substantial opportunity to incentivize development in transit station areas if the necessary financial and funding tools are available. The Scoping Plan should recommend that new tools be developed in order to support the goals of AB 32 and SB 375 and allow effective TOD to occur. Page 113 of the Scoping Plan contains the statement that *“Local governments are in many ways the “boots on the ground” for meeting California’s climate change goals, beginning with their local planning*

efforts.” This is an important recognition, and to do our job as local governments, we need the funding and policy resources, backed by enabling legislation, to be engaged in the tasks that the Scoping Plan implies. Enabling legislation for redevelopment and infill is one of the necessary tools in the local government toolbox.

4. **Freight transportation and highways** - Even as significant investments are needed in transit, we cannot afford to shortchange the highway system. Funding the transit system and other GHG reduction initiatives depends on a robust economy. A significant driver of the economy is the flow of freight within and through the Southern California Region, particularly San Bernardino County and we were pleased to see this included as part of the Scoping Plan Update. We cannot afford to undermine the ability to implement the goals of AB 32 and SB 375 by failing to accommodate freight. As a region seriously impacted by air quality issues and one still suffering prolonged impacts of the economic downturn, we understand that health-related concerns come in many forms. Access to economic resources and health care can be significant factors in public health and should be balanced considerations alongside the health impacts of poor air quality. The Scoping Plan and its suggested action plan supports investments in disadvantaged communities, which SANBAG commends.
5. **Maintain focus on technological feasibility and cost-effectiveness** - Federal, State, local, and private dollars are finite resources. Wise choices must be made regarding how to use these resources to achieve the GHG reduction goals. We suggest that the financial resources presently available at these levels be taken into account when setting new regional GHG emission reduction or new statewide mid-term targets. We recognize that the quantification of the economic benefits of GHG reduction is a very rigorous and difficult undertaking, as outlined in Section VI - Evaluations. However, it is important that public agencies like SANBAG, as well as the private sector, be able to understand the investments that will be required to reach the specific GHG reduction targets being identified by the Air Resources Board (ARB). The challenges of quantifying benefits should not be a deterrent to estimating costs and we encourage the ARB to continue this effort. This consideration becomes particularly important for local governments as GHG reduction targets can become de facto thresholds or requirements under the California Environmental Quality Act (CEQA). If the setting of new regional or mid-term targets needs to be delayed until this information can be developed, then such a delay may be warranted.
6. **Incentives** – The importance of incentives is discussed in Section V – Achieving Success. SANBAG is supportive of a range of funding and streamlining incentives that will foster the implementation of AB 32 and SB 375. The Scoping Plan Update rightly identifies market based mechanisms for encouraging innovation. However, any incentives developed must go beyond planning incentives, to funding that can be used for actual implementation and monitoring. As previously stated, the funding needs for building and operating the transit system, cleaning up freight fleets, and other initiatives are substantial, and the State should evaluate these investments with a keen eye toward technological feasibility and cost-effectiveness.
7. **GHG reduction targets beyond 2020** – As indicated in the background section, SANBAG assumed a leadership role in preparing a Regional GHG Reduction Plan and EIR. The horizon year for this work was 2020, consistent with state guidelines. This is a bold step by the 21 participating jurisdictions, and it is important to allow time for this process to work before establishing new thresholds for action. In addition, the GHG Reduction Plan and EIR were prepared with our own local resources, as grants for this work were generally not available when we began. We would advise against the State setting new expectations in this update “before the ink is dry” on the current plan. If and when updates are needed, the State should

provide a substantial portion of the necessary funding resources through new funding programs.

SANBAG is also concerned about statements in the Scoping Plan Update which refer to year-to-year evaluations of progress towards GHG emission reduction targets. While it is important to regularly check-in to ensure that programs are meeting their intended purposes, we should be careful not to over-state the ability of these programs to show benefits on a year-by-year basis. As investments in these strategies are made over time, benefits may be realized on a longer-term basis. We fear that annual evaluations will lead stakeholders to take a more myopic view of the individual investment's ability to produce immediate results rather than evaluate the successes of the reduction plans as a whole over time.

8. **Local Control** – SANBAG is concerned about comments in the Scoping Plan Update which call for targeted, priority investments with the limited funds available. More specifically, the plan calls for the California Department of Transportation (Caltrans) to, “*coordinate local, State, and federal funding for transportation infrastructure...and consider lifecycle benefits and impacts...for transportation projects.*” With a majority of transportation funding coming from locally adopted sales tax measures, we believe that Caltrans and the State are an important partner in delivering these projects. However, it is not appropriate to suggest that the State should direct the expenditure of local sales tax measure revenues.

SANBAG understands the State's desire to see enhanced investments in many of the AB 32 and SB 375 priority areas, however we would suggest this is best done with new revenues rather than a reorientation of existing revenues at the local level. Proposals to divert local resources for state use will diminish the confidence that voters have in local sales tax measures, having voted affirmatively by a two-thirds margin to approve these expenditure plans with transparency and accountability provisions included. Later attempts by the State to shift priorities will not only threaten the delivery of projects under existing measures, but also reduce the likelihood that new local sales tax measures will be approved or existing measures extended. This further would limit our ability to fund the very programs that are needed to support the GHG reductions that the State intends to achieve.

Again, thank you for the opportunity to provide comments on the draft Scoping Plan Update. We look forward to being able to partner with the State, region, and local agencies on programs that meet our collective goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Wolfe". The signature is fluid and cursive, with the first name "Ray" and last name "Wolfe" clearly distinguishable.

Raymond W. Wolfe
Executive Director

c: Members of the California Air Resources Board